

Item No. N/a	Classification: Open	Date: 19 February 2019	Decision Taker: Cabinet Member for Finance, Performance and Brexit
Report title:		Authorisation of Debt Write-offs over £5,000 for Place and Wellbeing Department, Commercial Rents - 3 debts totalling £320,036.54	
Ward(s) or groups affected:		All	
From:		Director of Regeneration	

RECOMMENDATIONS

1. That approval is given for the write offs of £320,036.54 for 3 debts.
2. That the cabinet member advises any further action they require on any write-offs not agreed within this report.

BACKGROUND INFORMATION

3. Under the council's constitution write-off of debts of £5,000 up to £50,000 has been delegated to individual members within their own service area. Debt write-off under £5,000 can be authorised by chief officers.
4. Write-off of any debt of £50,000 or over must be referred to cabinet for authorisation. However on this occasion the Leader of the Council has directed a variation, transferring the decision to the Cabinet Member for Finance, Performance and Brexit under IDM powers.
5. There are a number of key reasons why the council may wish to write-off a debt. These are:
 - The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
 - The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
 - There has been a negotiated settlement as part of a complaint or dispute resolution which leaves a residual amount to be written off.
 - The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
 - The debtor is deceased and there is no likely settlement from the estate or next of kin.
 - Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against and no likelihood of settlement.

KEY ISSUES FOR CONSIDERATION

Policy implications

6. The proposed write-off's set out in this report are recommended in accordance with the council's agreed write-off policies and procedures in accordance with the list in paragraph 5 above.

Community impact statement

7. All write-offs are considered with due regard to any potential community impact and on their own merits. This decision has been judged to have no or a very small impact on local people and communities

Resource implications

8. The cost of writing-off the commercial rent debts of £320,036.54 will be contained within the bad debt provisions held within the housing revenue account and commercial property holding account for £23,108.65 and £296,927.89 respectively.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law & Democracy

9. This report recommends that the debts, be written off in accordance with the council's procedure on debt write off.
10. The report has set out circumstances whereby debts can lawfully be written off by the council and these include circumstances when a debtor has gone bankrupt, the debt is time barred, where the debtor is deceased or gone away or where the debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt. In such circumstances to pursue the debt would be very difficult and costly exercise with little or no chances of success.
11. The approval of debt write-offs for sums of £5,000 up to £50,000 is delegated to individual members within their own service area. Write-off of any debt of £50,000 or over must be referred to cabinet for authorisation. However on this occasion the Leader of the Council has directed a variation, transferring the decision to the Cabinet Member for Finance, Performance and Brexit under IDM powers. This particular debt has arisen as a result of non payment of commercial rents.
12. The director of law and democracy considers these write-offs to be in accordance with the council's procedures and lawful.

Strategic Director of Finance and Governance (PW18/016)

13. This report is requesting the Cabinet Member for Finance, Performance and Brexit to approve the write offs of bad debts totaling £320,036.54
14. The strategic director of finance and governance notes that the cost of the write offs can be contained within the bad debts provision for the respective areas.
15. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Property Files	Regeneration - Property Services	Julia Page 020 7525 5672

AUDIT TRAIL

Lead Officer	Stephen Platts, Director of Regeneration	
Report Author	Julia Page, Business Development Manager	
Version	Final	
Dated	14 February 2019	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law & Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		14 February 2019